



General Assembly

February Session, 2024

Substitute Bill No. 284



AN ACT CONCERNING A SECURITY DEPOSIT LOAN ASSISTANCE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2024*) (a) As used in this section:
- 2 (1) "Commissioner" means the Commissioner of Housing;
- 3 (2) "Credit union" means a Connecticut credit union or a federal
4 credit union, as those terms are defined in section 36a-2 of the general
5 statutes;
- 6 (3) "Eligible financial institution" means a qualified bank or credit
7 union that has a physical presence in the state and is not subject to (A) a
8 formal agreement with the Office of the Comptroller of the Currency,
9 (B) a consent order with, or cease and desist order issued by, the Federal
10 Deposit Insurance Corporation, (C) a consent order with, or cease and
11 desist order issued by, the Department of Banking, (D) a letter of
12 understanding and agreement with, or consent order issued by, the
13 National Credit Union Administration, or (E) a finding by the
14 Department of Banking that the qualified bank or credit union has failed
15 to comply with a provision of this section;
- 16 (4) "Eligible renter" means an individual who (A) is applying to rent
17 a residential property in the state, (B) is a resident of the state, (C)

18 demonstrates that the amount of rent proposed in a proposed lease
19 would not exceed thirty-five per cent of the individual's household
20 income, and (D) is a member of a low-income household, a veteran, a
21 victim of domestic violence or a recent college graduate;

22 (5) "Low-income household" means a group of individuals residing
23 in a residential property who are eligible for or receive benefits under
24 HUSKY Health, as defined in section 17b-290 of the general statutes, the
25 temporary family assistance program, the state supplement program or
26 any state-administered general assistance program;

27 (6) "Qualified bank" means a bank or an out-of-state bank, as those
28 terms are defined in section 36a-2 of the general statutes;

29 (7) "Recent college graduate" means an individual who graduated
30 from an institution of higher education not earlier than twelve months
31 before applying for a security deposit loan under this section;

32 (8) "Residential property" means a dwelling unit used primarily for
33 human habitation;

34 (9) "Veteran" has the same meaning as provided in section 32-5d of
35 the general statutes; and

36 (10) "Victim of domestic violence" has the same meaning as provided
37 in section 17b-112a of the general statutes.

38 (b) The Commissioner of Housing shall, within available
39 appropriations, establish and administer a security deposit loan
40 assistance program to guarantee the repayment of twenty-five per cent
41 of the outstanding principal of each security deposit loan made by an
42 eligible financial institution to an eligible renter under subsection (c) of
43 this section. A qualified bank or credit union may apply to the
44 Department of Banking, in a form and manner prescribed by the
45 Commissioner of Housing, to participate in the security deposit loan
46 assistance program. Not later than fifteen business days after receiving
47 the application, the Department of Banking shall determine whether

48 such qualified bank or credit union is an eligible financial institution and
49 notify such qualified bank or credit union and the Commissioner of
50 Housing of such determination. An eligible financial institution may
51 make security deposit loans to eligible renters pursuant to subsection (c)
52 of this section.

53 (c) (1) An eligible financial institution may make a security deposit
54 loan to an eligible renter, provided:

55 (A) The requirements set forth in subsection (b) of this section,
56 including, but not limited to, the requirement that the Department of
57 Banking determine that the qualified bank or credit union is an eligible
58 financial institution, are satisfied;

59 (B) The eligible renter demonstrates to the eligible financial
60 institution that (i) such eligible renter is (I) applying to rent a residential
61 property in the state, (II) a resident of the state, and (III) a member of a
62 low-income household, a veteran, a victim of domestic violence or a
63 recent college graduate, and (ii) the cost of rent proposed in the
64 proposed lease would not exceed thirty-five per cent of the eligible
65 renter's household income if such eligible renter receives the security
66 deposit loan;

67 (C) The amount of the security deposit loan does not exceed an
68 amount equal to the cost of one month's rent;

69 (D) The eligible financial institution makes the security deposit loan
70 in accordance with such eligible financial institution's underwriting
71 policy and standards, except the eligible financial institution shall not
72 use the eligible renter's creditworthiness or debt-to-income ratio in
73 determining such eligible renter's eligibility to receive such security
74 deposit loan;

75 (E) The eligible financial institution does not charge interest on the
76 principal amount of the security deposit loan at a rate that exceeds four
77 per cent per annum;

78 (F) The security deposit loan agreement requires the eligible renter to
79 repay the security deposit loan in full to the eligible financial institution
80 not later than twenty-four months after the date of the security deposit
81 loan by making not fewer than twelve and not more than twenty-four
82 equal installment payments;

83 (G) The security deposit loan agreement shall not contain a fee or
84 penalty for the prepayment or early payment of the security deposit
85 loan;

86 (H) The eligible financial institution provides the security deposit
87 loan funds directly to the eligible renter's landlord;

88 (I) The eligible financial institution (i) refers the eligible renter to the
89 2-1-1 Infoline program, and (ii) offers credit counseling services to the
90 eligible renter or refers such eligible renter to a nonprofit entity that
91 provides credit counseling services;

92 (J) The eligible renter pays an application fee of not more than fifty
93 dollars to the Department of Banking, which the department may use to
94 pay for rental reporting services;

95 (K) Before the eligible financial institution provides security deposit
96 loan funds to the eligible renter's landlord, the commissioner, or any
97 local or regional nonprofit corporation or social service organization
98 under contract with the Department of Housing to assist in the
99 administration of the security deposit loan assistance program
100 established pursuant to subsection (b) of this section, verifies that the
101 landlord to which the security deposit will be provided does not have a
102 history of bringing frivolous or unreasonable claims in small claims
103 actions or proceedings involving a housing matter; and

104 (L) The eligible financial institution discloses to the eligible renter in
105 the security deposit loan agreement that there may be federal tax
106 consequences to receiving a security deposit loan pursuant to this
107 subsection.

108 (2) An eligible financial institution that makes a security deposit loan
109 pursuant to this subsection shall notify the commissioner, in writing, not
110 later than one business day after making such security deposit loan, and
111 shall disclose such information about the eligible renter as the
112 commissioner may reasonably request in connection with such security
113 deposit loan.

114 (3) No individual shall be eligible to receive more than one security
115 deposit loan under this subsection.

116 (4) An eligible renter who receives a security deposit loan under this
117 subsection shall take part in financial literacy classes, which shall be
118 made available virtually by the Department of Banking.

119 (5) The Department of Banking shall make enrollment and
120 participation in a service to report on-time rental payments to credit
121 bureaus available to an eligible renter who receives a security deposit
122 loan pursuant to this subsection.

123 (d) (1) If an eligible financial institution is unable to collect from an
124 eligible renter the full balance of a security deposit loan made under
125 subsection (c) of this section within twenty-four months after the date
126 on which such eligible financial institution made such security deposit
127 loan, such eligible financial institution may make a claim to the
128 Commissioner of Housing for the recovery of an amount equal to
129 twenty-five per cent of the outstanding principal of such security
130 deposit loan, provided such eligible financial institution made a good
131 faith effort to collect the outstanding principal balance of such security
132 deposit loan. Such claim shall be made in the form and manner
133 prescribed by the commissioner, and shall include any information the
134 commissioner deems reasonably necessary to consider such claim.
135 Before the commissioner approves and submits such a claim to the
136 Treasurer for payment to such eligible financial institution, such eligible
137 financial institution shall demonstrate to the satisfaction of the
138 commissioner that the eligible financial institution has made a good
139 faith effort to collect the outstanding principal balance from the eligible

140 renter in accordance with the financial institution's loan servicing and
141 collection policies. Upon the payment of such a claim, the eligible
142 financial institution shall assign the security deposit loan to the state,
143 and the commissioner shall have the right to continue collection efforts
144 on such loan. The commissioner shall submit all approved claims to the
145 Treasurer, who shall, within available appropriations, pay such claims
146 from the General Fund.

147 (2) The commissioner may terminate any security deposit loan issued
148 under subsection (c) of this section if the financial institution that issued
149 such security deposit loan misrepresents any information pertaining to
150 such security deposit loan or fails to comply with any requirement of
151 this section in connection with such security deposit loan.

152 (3) The commissioner shall maintain records in the regular course of
153 administering the security deposit loan assistance program established
154 pursuant to subsection (b) of this section, including, but not limited to,
155 a record of the security deposit loans issued and payments made to
156 honor security deposit loans issued under subsection (c) of this section.
157 The commissioner shall regularly review such records to determine the
158 total number of security deposit loans issued and identify duplicative
159 applications.

160 (4) If, at any time, the total value of all payments made to honor
161 guarantees made pursuant to this section exceeds ten per cent of the
162 total value of all security deposit loans issued pursuant to subsection (c)
163 of this section, the commissioner shall immediately (A) cease to
164 guarantee loans made after that date, and (B) notify the Treasurer and
165 each eligible financial institution (i) of the total value of all payments
166 made to honor guarantees made pursuant to this section, and (ii) that
167 the commissioner shall not guarantee loans made after that date.

168 (e) In assessing an eligible financial institution's community
169 reinvestment performance under section 36a-32 of the general statutes,
170 the Banking Commissioner shall consider such eligible financial
171 institution's participation in the security deposit loan assistance

172 program established pursuant to subsection (b) of this section.

173 (f) Any payment made pursuant to the security deposit loan
174 assistance program established pursuant to subsection (b) of this section
175 to any individual receiving temporary family assistance, aid under the
176 state supplement program or any state-administered general assistance
177 shall not be deducted from the amount of assistance or aid to which such
178 individual would otherwise be entitled.

179 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
180 section 12-701 of the 2024 supplement to the general statutes is repealed
181 and the following is substituted in lieu thereof (*Effective January 1, 2025,*
182 *and applicable to taxable years commencing on or after January 1, 2025*):

183 (B) There shall be subtracted therefrom:

184 (i) To the extent properly includable in gross income for federal
185 income tax purposes, any income with respect to which taxation by any
186 state is prohibited by federal law;

187 (ii) To the extent allowable under section 12-718, exempt dividends
188 paid by a regulated investment company;

189 (iii) To the extent properly includable in gross income for federal
190 income tax purposes, the amount of any refund or credit for
191 overpayment of income taxes imposed by this state, or any other state
192 of the United States or a political subdivision thereof, or the District of
193 Columbia;

194 (iv) To the extent properly includable in gross income for federal
195 income tax purposes and not otherwise subtracted from federal
196 adjusted gross income pursuant to clause (x) of this subparagraph in
197 computing Connecticut adjusted gross income, any tier 1 railroad
198 retirement benefits;

199 (v) To the extent any additional allowance for depreciation under
200 Section 168(k) of the Internal Revenue Code for property placed in

201 service after September 27, 2017, was added to federal adjusted gross
202 income pursuant to subparagraph (A)(ix) of this subdivision in
203 computing Connecticut adjusted gross income, twenty-five per cent of
204 such additional allowance for depreciation in each of the four
205 succeeding taxable years;

206 (vi) To the extent properly includable in gross income for federal
207 income tax purposes, any interest income from obligations issued by or
208 on behalf of the state of Connecticut, any political subdivision thereof,
209 or public instrumentality, state or local authority, district or similar
210 public entity created under the laws of the state of Connecticut;

211 (vii) To the extent properly includable in determining the net gain or
212 loss from the sale or other disposition of capital assets for federal income
213 tax purposes, any gain from the sale or exchange of obligations issued
214 by or on behalf of the state of Connecticut, any political subdivision
215 thereof, or public instrumentality, state or local authority, district or
216 similar public entity created under the laws of the state of Connecticut,
217 in the income year such gain was recognized;

218 (viii) Any interest on indebtedness incurred or continued to purchase
219 or carry obligations or securities the interest on which is subject to tax
220 under this chapter but exempt from federal income tax, to the extent that
221 such interest on indebtedness is not deductible in determining federal
222 adjusted gross income and is attributable to a trade or business carried
223 on by such individual;

224 (ix) Ordinary and necessary expenses paid or incurred during the
225 taxable year for the production or collection of income which is subject
226 to taxation under this chapter but exempt from federal income tax, or
227 the management, conservation or maintenance of property held for the
228 production of such income, and the amortizable bond premium for the
229 taxable year on any bond the interest on which is subject to tax under
230 this chapter but exempt from federal income tax, to the extent that such
231 expenses and premiums are not deductible in determining federal
232 adjusted gross income and are attributable to a trade or business carried

233 on by such individual;

234 (x) (I) For taxable years commencing prior to January 1, 2019, for a
235 person who files a return under the federal income tax as an unmarried
236 individual whose federal adjusted gross income for such taxable year is
237 less than fifty thousand dollars, or as a married individual filing
238 separately whose federal adjusted gross income for such taxable year is
239 less than fifty thousand dollars, or for a husband and wife who file a
240 return under the federal income tax as married individuals filing jointly
241 whose federal adjusted gross income for such taxable year is less than
242 sixty thousand dollars or a person who files a return under the federal
243 income tax as a head of household whose federal adjusted gross income
244 for such taxable year is less than sixty thousand dollars, an amount
245 equal to the Social Security benefits includable for federal income tax
246 purposes;

247 (II) For taxable years commencing prior to January 1, 2019, for a
248 person who files a return under the federal income tax as an unmarried
249 individual whose federal adjusted gross income for such taxable year is
250 fifty thousand dollars or more, or as a married individual filing
251 separately whose federal adjusted gross income for such taxable year is
252 fifty thousand dollars or more, or for a husband and wife who file a
253 return under the federal income tax as married individuals filing jointly
254 whose federal adjusted gross income from such taxable year is sixty
255 thousand dollars or more or for a person who files a return under the
256 federal income tax as a head of household whose federal adjusted gross
257 income for such taxable year is sixty thousand dollars or more, an
258 amount equal to the difference between the amount of Social Security
259 benefits includable for federal income tax purposes and the lesser of
260 twenty-five per cent of the Social Security benefits received during the
261 taxable year, or twenty-five per cent of the excess described in Section
262 86(b)(1) of the Internal Revenue Code;

263 (III) For the taxable year commencing January 1, 2019, and each
264 taxable year thereafter, for a person who files a return under the federal
265 income tax as an unmarried individual whose federal adjusted gross

266 income for such taxable year is less than seventy-five thousand dollars,
267 or as a married individual filing separately whose federal adjusted gross
268 income for such taxable year is less than seventy-five thousand dollars,
269 or for a husband and wife who file a return under the federal income tax
270 as married individuals filing jointly whose federal adjusted gross
271 income for such taxable year is less than one hundred thousand dollars
272 or a person who files a return under the federal income tax as a head of
273 household whose federal adjusted gross income for such taxable year is
274 less than one hundred thousand dollars, an amount equal to the Social
275 Security benefits includable for federal income tax purposes; and

276 (IV) For the taxable year commencing January 1, 2019, and each
277 taxable year thereafter, for a person who files a return under the federal
278 income tax as an unmarried individual whose federal adjusted gross
279 income for such taxable year is seventy-five thousand dollars or more,
280 or as a married individual filing separately whose federal adjusted gross
281 income for such taxable year is seventy-five thousand dollars or more,
282 or for a husband and wife who file a return under the federal income tax
283 as married individuals filing jointly whose federal adjusted gross
284 income from such taxable year is one hundred thousand dollars or more
285 or for a person who files a return under the federal income tax as a head
286 of household whose federal adjusted gross income for such taxable year
287 is one hundred thousand dollars or more, an amount equal to the
288 difference between the amount of Social Security benefits includable for
289 federal income tax purposes and the lesser of twenty-five per cent of the
290 Social Security benefits received during the taxable year, or twenty-five
291 per cent of the excess described in Section 86(b)(1) of the Internal
292 Revenue Code;

293 (xi) To the extent properly includable in gross income for federal
294 income tax purposes, any amount rebated to a taxpayer pursuant to
295 section 12-746;

296 (xii) To the extent properly includable in the gross income for federal
297 income tax purposes of a designated beneficiary, any distribution to
298 such beneficiary from any qualified state tuition program, as defined in

299 Section 529(b) of the Internal Revenue Code, established and
300 maintained by this state or any official, agency or instrumentality of the
301 state;

302 (xiii) To the extent allowable under section 12-701a, contributions to
303 accounts established pursuant to any qualified state tuition program, as
304 defined in Section 529(b) of the Internal Revenue Code, established and
305 maintained by this state or any official, agency or instrumentality of the
306 state;

307 (xiv) To the extent properly includable in gross income for federal
308 income tax purposes, the amount of any Holocaust victims' settlement
309 payment received in the taxable year by a Holocaust victim;

310 (xv) To the extent properly includable in the gross income for federal
311 income tax purposes of a designated beneficiary, as defined in section
312 3-123aa, interest, dividends or capital gains earned on contributions to
313 accounts established for the designated beneficiary pursuant to the
314 Connecticut Homecare Option Program for the Elderly established by
315 sections 3-123aa to 3-123ff, inclusive;

316 (xvi) To the extent properly includable in gross income for federal
317 income tax purposes, any income received from the United States
318 government as retirement pay for a retired member of (I) the Armed
319 Forces of the United States, as defined in Section 101 of Title 10 of the
320 United States Code, or (II) the National Guard, as defined in Section 101
321 of Title 10 of the United States Code;

322 (xvii) To the extent properly includable in gross income for federal
323 income tax purposes for the taxable year, any income from the discharge
324 of indebtedness in connection with any reacquisition, after December
325 31, 2008, and before January 1, 2011, of an applicable debt instrument or
326 instruments, as those terms are defined in Section 108 of the Internal
327 Revenue Code, as amended by Section 1231 of the American Recovery
328 and Reinvestment Act of 2009, to the extent any such income was added
329 to federal adjusted gross income pursuant to subparagraph (A)(xi) of

330 this subdivision in computing Connecticut adjusted gross income for a
331 preceding taxable year;

332 (xviii) To the extent not deductible in determining federal adjusted
333 gross income, the amount of any contribution to a manufacturing
334 reinvestment account established pursuant to section 32-9zz in the
335 taxable year that such contribution is made;

336 (xix) To the extent properly includable in gross income for federal
337 income tax purposes, (I) for the taxable year commencing January 1,
338 2015, ten per cent of the income received from the state teachers'
339 retirement system, (II) for the taxable years commencing January 1,
340 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
341 received from the state teachers' retirement system, and (III) for the
342 taxable year commencing January 1, 2021, and each taxable year
343 thereafter, fifty per cent of the income received from the state teachers'
344 retirement system or, for a taxpayer whose federal adjusted gross
345 income does not exceed the applicable threshold under clause (xx) of
346 this subparagraph, the percentage pursuant to said clause of the income
347 received from the state teachers' retirement system, whichever
348 deduction is greater;

349 (xx) To the extent properly includable in gross income for federal
350 income tax purposes, except for retirement benefits under clause (iv) of
351 this subparagraph and retirement pay under clause (xvi) of this
352 subparagraph, for a person who files a return under the federal income
353 tax as an unmarried individual whose federal adjusted gross income for
354 such taxable year is less than seventy-five thousand dollars, or as a
355 married individual filing separately whose federal adjusted gross
356 income for such taxable year is less than seventy-five thousand dollars,
357 or as a head of household whose federal adjusted gross income for such
358 taxable year is less than seventy-five thousand dollars, or for a husband
359 and wife who file a return under the federal income tax as married
360 individuals filing jointly whose federal adjusted gross income for such
361 taxable year is less than one hundred thousand dollars, (I) for the taxable
362 year commencing January 1, 2019, fourteen per cent of any pension or

363 annuity income, (II) for the taxable year commencing January 1, 2020,
364 twenty-eight per cent of any pension or annuity income, (III) for the
365 taxable year commencing January 1, 2021, forty-two per cent of any
366 pension or annuity income, and (IV) for the taxable years commencing
367 January 1, 2022, and January 1, 2023, one hundred per cent of any
368 pension or annuity income;

369 (xxi) To the extent properly includable in gross income for federal
370 income tax purposes, except for retirement benefits under clause (iv) of
371 this subparagraph and retirement pay under clause (xvi) of this
372 subparagraph, any pension or annuity income for the taxable year
373 commencing on or after January 1, 2024, and each taxable year
374 thereafter, in accordance with the following schedule, for a person who
375 files a return under the federal income tax as an unmarried individual
376 whose federal adjusted gross income for such taxable year is less than
377 one hundred thousand dollars, or as a married individual filing
378 separately whose federal adjusted gross income for such taxable year is
379 less than one hundred thousand dollars, or as a head of household
380 whose federal adjusted gross income for such taxable year is less than
381 one hundred thousand dollars:

T1	Federal Adjusted Gross Income	Deduction
T2	Less than \$75,000	100.0%
T3	\$75,000 but not over \$77,499	85.0%
T4	\$77,500 but not over \$79,999	70.0%
T5	\$80,000 but not over \$82,499	55.0%
T6	\$82,500 but not over \$84,999	40.0%
T7	\$85,000 but not over \$87,499	25.0%
T8	\$87,500 but not over \$89,999	10.0%
T9	\$90,000 but not over \$94,999	5.0%
T10	\$95,000 but not over \$99,999	2.5%
T11	\$100,000 and over	0.0%

382 (xxii) To the extent properly includable in gross income for federal
383 income tax purposes, except for retirement benefits under clause (iv) of
384 this subparagraph and retirement pay under clause (xvi) of this

385 subparagraph, any pension or annuity income for the taxable year
386 commencing on or after January 1, 2024, and each taxable year
387 thereafter, in accordance with the following schedule for married
388 individuals who file a return under the federal income tax as married
389 individuals filing jointly whose federal adjusted gross income for such
390 taxable year is less than one hundred fifty thousand dollars:

T12	Federal Adjusted Gross Income	Deduction
T13	Less than \$100,000	100.0%
T14	\$100,000 but not over \$104,999	85.0%
T15	\$105,000 but not over \$109,999	70.0%
T16	\$110,000 but not over \$114,999	55.0%
T17	\$115,000 but not over \$119,999	40.0%
T18	\$120,000 but not over \$124,999	25.0%
T19	\$125,000 but not over \$129,999	10.0%
T20	\$130,000 but not over \$139,999	5.0%
T21	\$140,000 but not over \$149,999	2.5%
T22	\$150,000 and over	0.0%

391 (xxiii) The amount of lost wages and medical, travel and housing
392 expenses, not to exceed ten thousand dollars in the aggregate, incurred
393 by a taxpayer during the taxable year in connection with the donation
394 to another person of an organ for organ transplantation occurring on or
395 after January 1, 2017;

396 (xxiv) To the extent properly includable in gross income for federal
397 income tax purposes, the amount of any financial assistance received
398 from the Crumbling Foundations Assistance Fund or paid to or on
399 behalf of the owner of a residential building pursuant to sections 8-442
400 and 8-443;

401 (xxv) To the extent properly includable in gross income for federal
402 income tax purposes, the amount calculated pursuant to subsection (b)
403 of section 12-704g for income received by a general partner of a venture
404 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
405 time;

406 (xxvi) To the extent any portion of a deduction under Section 179 of
407 the Internal Revenue Code was added to federal adjusted gross income
408 pursuant to subparagraph (A)(xiv) of this subdivision in computing
409 Connecticut adjusted gross income, twenty-five per cent of such
410 disallowed portion of the deduction in each of the four succeeding
411 taxable years;

412 (xxvii) To the extent properly includable in gross income for federal
413 income tax purposes, for a person who files a return under the federal
414 income tax as an unmarried individual whose federal adjusted gross
415 income for such taxable year is less than seventy-five thousand dollars,
416 or as a married individual filing separately whose federal adjusted gross
417 income for such taxable year is less than seventy-five thousand dollars,
418 or as a head of household whose federal adjusted gross income for such
419 taxable year is less than seventy-five thousand dollars, or for a husband
420 and wife who file a return under the federal income tax as married
421 individuals filing jointly whose federal adjusted gross income for such
422 taxable year is less than one hundred thousand dollars, for the taxable
423 year commencing January 1, 2023, twenty-five per cent of any
424 distribution from an individual retirement account other than a Roth
425 individual retirement account;

426 (xxviii) To the extent properly includable in gross income for federal
427 income tax purposes, for a person who files a return under the federal
428 income tax as an unmarried individual whose federal adjusted gross
429 income for such taxable year is less than one hundred thousand dollars,
430 or as a married individual filing separately whose federal adjusted gross
431 income for such taxable year is less than one hundred thousand dollars,
432 or as a head of household whose federal adjusted gross income for such
433 taxable year is less than one hundred thousand dollars, (I) for the taxable
434 year commencing January 1, 2024, fifty per cent of any distribution from
435 an individual retirement account other than a Roth individual
436 retirement account, (II) for the taxable year commencing January 1, 2025,
437 seventy-five per cent of any distribution from an individual retirement
438 account other than a Roth individual retirement account, and (III) for

439 the taxable year commencing January 1, 2026, and each taxable year
440 thereafter, any distribution from an individual retirement account other
441 than a Roth individual retirement account. The subtraction under this
442 clause shall be made in accordance with the following schedule:

T23	Federal Adjusted Gross Income	Deduction
T24	Less than \$75,000	100.0%
T25	\$75,000 but not over \$77,499	85.0%
T26	\$77,500 but not over \$79,999	70.0%
T27	\$80,000 but not over \$82,499	55.0%
T28	\$82,500 but not over \$84,999	40.0%
T29	\$85,000 but not over \$87,499	25.0%
T30	\$87,500 but not over \$89,999	10.0%
T31	\$90,000 but not over \$94,999	5.0%
T32	\$95,000 but not over \$99,999	2.5%
T33	\$100,000 and over	0.0%

443 (xxix) To the extent properly includable in gross income for federal
444 income tax purposes, for married individuals who file a return under
445 the federal income tax as married individuals filing jointly whose
446 federal adjusted gross income for such taxable year is less than one
447 hundred fifty thousand dollars, (I) for the taxable year commencing
448 January 1, 2024, fifty per cent of any distribution from an individual
449 retirement account other than a Roth individual retirement account, (II)
450 for the taxable year commencing January 1, 2025, seventy-five per cent
451 of any distribution from an individual retirement account other than a
452 Roth individual retirement account, and (III) for the taxable year
453 commencing January 1, 2026, and each taxable year thereafter, any
454 distribution from an individual retirement account other than a Roth
455 individual retirement account. The subtraction under this clause shall
456 be made in accordance with the following schedule:

T34	Federal Adjusted Gross Income	Deduction
T35	Less than \$100,000	100.0%
T36	\$100,000 but not over \$104,999	85.0%
T37	\$105,000 but not over \$109,999	70.0%

T38	\$110,000 but not over \$114,999	55.0%
T39	\$115,000 but not over \$119,999	40.0%
T40	\$120,000 but not over \$124,999	25.0%
T41	\$125,000 but not over \$129,999	10.0%
T42	\$130,000 but not over \$139,999	5.0%
T43	\$140,000 but not over \$149,999	2.5%
T44	\$150,000 and over	0.0%

457 (xxx) To the extent properly includable in gross income for federal
458 income tax purposes, for the taxable year commencing January 1, 2022,
459 the amount or amounts paid or otherwise credited to any eligible
460 resident of this state under (I) the 2020 Earned Income Tax Credit
461 enhancement program from funding allocated to the state through the
462 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
463 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
464 Income Tax Credit enhancement program from funding allocated to the
465 state pursuant to Section 9901 of Subtitle M of Title IX of the American
466 Rescue Plan Act of 2021, P.L. 117-2;

467 (xxxi) For the taxable year commencing January 1, 2023, and each
468 taxable year thereafter, for a taxpayer licensed under the provisions of
469 chapter 420f or 420h, the amount of ordinary and necessary expenses
470 that would be eligible to be claimed as a deduction for federal income
471 tax purposes under Section 162(a) of the Internal Revenue Code but that
472 are disallowed under Section 280E of the Internal Revenue Code
473 because marijuana is a controlled substance under the federal
474 Controlled Substance Act;

475 (xxxii) To the extent properly includable in gross income for federal
476 income tax purposes, for the taxable year commencing on or after
477 January 1, 2025, and each taxable year thereafter, any common stock
478 received by the taxpayer during the taxable year under a share plan, as
479 defined in section 12-217ss;

480 (xxxiii) To the extent properly includable in gross income for federal
481 income tax purposes, the amount of any student loan reimbursement

482 payment received by a taxpayer pursuant to section 10a-19m; [and]

483 (xxxiv) Contributions to an ABLE account established pursuant to
484 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
485 each individual taxpayer or ten thousand dollars for taxpayers filing a
486 joint return; and

487 (xxxv) To the extent properly includable in gross income for federal
488 income tax purposes, interest deferred by or not charged to an eligible
489 renter in connection with a security deposit loan issued under section 1
490 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	New section
Sec. 2	<i>January 1, 2025, and applicable to taxable years commencing on or after January 1, 2025</i>	12-701(a)(20)(B)

Statement of Legislative Commissioners:

Throughout Section 1, "person" was changed to "individual" for internal consistency; in Section 1(a)(3)(A), "Office of the Comptroller of the Currency of the United States" was changed to "Office of the Comptroller of the Currency" for consistency; in Section 1(c)(1)(B), "veteran, victim of domestic violence or recent" was changed to "a veteran, a victim of domestic violence or a recent" for clarity and internal consistency; in Section 1(c)(1)(F), "less" was changed to "fewer" for consistency; and in Section 1(f), "amount of assistance" was changed to "amount of assistance or aid" for internal consistency.

BA *Joint Favorable Subst. -LCO*